



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
100 F STREET N.E.
WASHINGTON, DC 20549-5985

DIVISION OF ENFORCEMENT

Patrick R. Costello
Assistant Chief Litigation Counsel
Direct Dial: 202.551.3982
E-Mail: costello@sec.gov

December 09, 2015

BY CM-ECF

Honorable William H. Pauley III
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007

Re: *Securities and Exchange Commission v. Caledonian Bank Ltd., et al.*,
15-CV-894 (WHP)

Dear Judge Pauley:

In reference to the above-captioned action, I write to inform the Court of recent developments between Plaintiff Securities and Exchange Commission (the "Commission") and Defendants Caledonian Bank Ltd. ("Caledonian Bank") and Caledonian Securities Ltd. ("Caledonian Securities") with respect to the settlement terms on which the parties reached an agreement in principle.

As we previously advised Your Honor by letter dated October 29, 2015, the Commission has now approved the parties' agreed-upon settlement terms. In November 2015, the Joint Liquidators of Caledonian Bank and Caledonian Securities made an application seeking authorization to enter into the settlement terms from the Grand Court of the Cayman Islands (the "Cayman Court"), which is overseeing the liquidation of Caledonian Bank and Caledonian Securities. To date, a hearing on that application has not been scheduled by the Cayman Court. Cayman Islands' counsel for Caledonian Bank and Caledonian Securities has advised that the hearing may not be scheduled until sometime in January 2016.

Following receipt of authorization from the Cayman Court, the parties will submit the settlement terms and seek approval by this Court in the form of a Consent and a proposed Final Judgment.

The parties appreciate the Court's patience and will seek the Court's approval of the settlement terms as soon as the authorization from the Grand Court of the Cayman Islands is obtained.

Honorable William H. Pauley III
December 09, 2015
Page 2

Because the date for Caledonian Bank and Caledonian Securities to answer, move or otherwise respond to the Amended Complaint is currently December 11, 2015, the parties have entered into a further stipulation extending that date until March 11, 2016, with the hope that the necessary authorization from the Cayman Court will be received before then.

We will email the stipulation to the Judgments Clerk as required by Section 18.3 of the Court's Electronic Case Filing Rules & Instructions. A courtesy copy of the stipulation is attached to this letter. The parties respectfully request that the Court "So Order" the stipulation.

Respectfully submitted,



Patrick R. Costello

Enclosure

cc: Margaret A. Dale
Sigal P. Mandelker
Robert J.A. Zito
(all by CM-ECF)